

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**CORRECTED  
FISCAL MEMORANDUM**

**SB 614 – HB 1357**

May 21, 2010

**SUMMARY OF AMENDMENT (017131):** Prohibits any reduction in the amount of state-shared revenue distributed to municipalities when a special census taken by any municipality would increase the distribution of state-shared revenue to the surveyed municipality.

**FISCAL IMPACT OF ORIGINAL BILL:**

Increase State Expenditures – Not Significant

Increase Local Expenditures – Not Significant/Permissive

**FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:**

On April 28, 2010 we issued a fiscal memorandum indicating an *Increase State Expenditures – Exceeds \$100,000* and an *Increase Local Revenue – Exceeds \$100,000*. Upon receiving additional information from the Department of Revenue, the fiscal impact has been corrected.

**(CORRECTED)**

**Other Fiscal Impact – Prohibiting the reduction of state-shared revenue to any municipality will not result in an increase in state expenditures. None of the municipal governments receiving state-shared revenue distributions will experience a decline in state-shared revenue to fund increased distributions to municipal governments eligible for higher allocations as a result of a special census. Because no municipal government will experience a decline in state-shared revenue, no municipal government eligible for higher allocations will receive increased state-shared revenue.**

Assumptions applied to amendment:

- Disbursements of state-shared revenue to municipal governments are funded by tax dollars collected by the state.

**SB 614 – HB 1357 (CORRECTED)**

- The Cities of Murfreesboro, Smyrna and La Vergne have each conducted special censuses since 2005 netting an increase in state-shared revenue of \$2,000,000, \$550,000, and \$127,000 respectively.
- According to the Department of Revenue, under current law any increased allocation of state-shared revenue to municipal governments occurring as a result of a special census results in a proportionate reduction in revenue to municipal governments that do not conduct a special census. No additional funds are appropriated to compensate municipalities experiencing a reduction in state-shared revenue. This bill as amended will not change that practice.
- Prohibiting any reduction in state-shared revenue to municipalities in order to fund increased appropriations to municipalities where a special census is taken will not result in an increase in to state expenditures.

### **CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "James W. White". The signature is fluid and cursive, with the first name "James" written in a larger, more prominent script than the last name "White".

James W. White, Executive Director

/agl